County of Santa Clara
Housing, Land Use, Environment, and Transportation Committee (HLUET)

Supervisor Dave Cortese, Chairperson. Supervisor Mike Wasserman, Vice Chairperson.

County Government Center – 70 West Hedding Street, 1st floor
San Jose, CA 95110 Phone 408-299-5001 TTY:993-8272

DATE: October 20, 2016, Regular Meeting

TIME: 10:00 AM

PLACE: Board of Supervisors' Chambers

AGENDA REVISED 10/14/2016 3:48 PM

-- The recommended actions appearing on the agenda are those recommended by staff. The Committee may take other actions relating to the issues as may be determined following consideration of the matter and discussion of the recommended actions.

-- Items that will require action by the Board of Supervisors may be forwarded to a future Board of Supervisors meeting for consideration.

-- Language interpretation services are available. Please contact the Office of the Clerk of the Board at 408-299-5001 no less than three business days prior to the meeting to request an interpreter.

-- Persons wishing to address the Committee on any item on the agenda are requested to complete a request to speak form and give it to the Deputy Clerk so the Chairperson may call speakers to the podium when the item is considered.

-- In compliance with the Americans with Disabilities Act and the Brown Act, those requiring accommodations in this meeting should notify the Clerk of the Board's Office 24 hours prior to the meeting at (408) 299-5001, or TDD (408) 993-8272.

-- To obtain a copy of any supporting document that is available, contact the Office of the Clerk of the Board at (408) 299-5001.

-- Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County to all or a majority of the Board of Supervisors (or any other commission, or board or committee) less than 72 hours prior to that meeting are available for public inspection at the Office of the Clerk of the Board, 70 West Hedding Street, 10th Floor, during normal business hours.

COMMUTE ALTERNATIVES: The Board of Supervisors encourages the use of commute alternatives including bicycles, carpooling, and hybrid vehicles.

Public transit access is available to and from the County Government Center, 70 West Hedding St., San Jose, California by VTA bus lines *61, 62, 66, 181 and Light Rail. (*61 Southbound last trip is at 8:55 p.m. for this location.) For trip planning information, contact the VTA Customer Service Department at 408-321-2300 Monday through Friday between the hours of 6:00 a.m. to 7:00 p.m., and on Saturday from 7:30 a.m. to 4:00 p.m. Schedule information is also available on the web at www.vta.org.

Bicycle parking racks are available in the James McEntee, Sr., Plaza in front of the County Government Center building.

Opening

1. Call to Order.
2. Public Comment.

   This item is reserved for persons desiring to address the Committee on any matter not on the agenda. Speakers are limited to the following: three minutes if the Chairperson or designee determines that five or fewer persons wish to address the Committee; two minutes if the Chairperson or designee determines that between six and fourteen persons wish to address the Committee; and one minute if the Chairperson or designee determines that fifteen or more persons wish to address the Committee.

The law does not permit Committee action or extended discussion on any items not on the agenda except under special circumstances. Statements that require a response may be placed on the agenda for the next regular meeting of the Committee.

3. Approve consent calendar and changes to the Committee's Agenda.

   The consent calendar consists of matters that are routine in nature, requiring only acceptance of written reports by the Committee. Items of specific interest to the Committee members may be removed from the consent calendar for questions or discussion. If you wish to discuss any of the consent calendar items, please request that the item be removed from the consent calendar by completing a Request to Speak form and placing it in the container at the front of the room.

Regular Agenda - Items for Discussion

4. Receive report from Office of the County Executive relating to the study of the South Bay Shoreline. (Referral from April 12, 2016 Board of Supervisors meeting, Item No. 11) (ID# 83047)
5. Receive report from the Consumer and Environmental Protection Agency relating to construction and funding of a new County Animal Shelter. (Held from September 15, 2016 Housing, Land Use, Environment, and Transportation Committee, Item No. 8) (ID# 82340)
6. Receive report from the Office of the County Executive relating to existing space and master planning activities to support County operational needs as well as asset development efforts. (Referral from June 7, 2016 Board of Supervisors meeting, Item No. 26) (ID# 83178)
7. Discuss possible joint meeting requested by the Santa Clara Valley Water District and forward request to Board of Supervisors. (Cortese) (ID# 83589)

Consent Calendar

8. Approve minutes of the September 15, 2016 Regular Meeting.
9. Receive monthly report from the Office of Supportive Housing relating to the Supportive Housing System of Care. (ID# 83610)
10. Receive annual report from the Consumer and Environmental Protection Agency relating to the Weed Abatement Program for the inspection of parcels that do not meet minimum fire standards during the annual weed abatement process. (Held from September 15, 2016 Housing, Land Use, Environment, and Transportation Committee, Item No. 9) (ID# 83143)
11. Receive report from the Department of Planning and Development relating to preparation of the Climate and Agriculture Preservation Program (CAPP). (ID# 83621)

Adjourn

12. Adjourn to the next regular meeting on Thursday, November 17, 2016 at 10:00 a.m. in the Board of Supervisors' Chambers, County Government Center, 70 West Hedding Street, San Jose.

Added Item - For Discussion

13. Receive verbal report from Department of Planning and Development relating to the Loma Fire.

County of Santa Clara
Office of the County Executive

83047

DATE: October 20, 2016

TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)

FROM: Sylvia Gallegos, Deputy County Executive

SUBJECT: Shoreline Study and Workplan

RECOMMENDED ACTION

Receive report from Office of the County Executive relating to the study of the South Bay Shoreline. (Referral from April 12, 2016 Board of Supervisors meeting, Item No. 11)

FISCAL IMPLICATIONS

There are no fiscal implications resulting from the receipt of this report.

REASONS FOR RECOMMENDATION

Understanding that there may be a desire to promote other initiatives in the Alviso area, the Administration nevertheless developed a chart that identifies the major milestones of each of the *current* local or regional projects, including the County Parks and Recreation Department's programs, in order to provide context for what is already underway in the South Bay Shoreline (see **Attachment A**).

At the April 12, 2016 Board of Supervisors meeting, the Board approved President Cortese's referral to the Administration to prepare a work plan with the Santa Clara Valley Water District (SCVWD) for the study of the South Bay Shoreline as well as waterfront issues and opportunities in the areas of flood control, emergency access, economic development, parks and recreation, and tourism. President Cortese directed the Administration to report to the Housing, Land Use, Environment, and Transportation Committee (HLUET) at the August 2016 meeting with an initial work plan.

At the August 18, 2016 meeting of HLUET, the Committee requested a chronological work plan of anticipated South Bay Shoreline project milestones, and directed the Administration to report back on additional areas of joint study and activity with the Water District.

Executive Summary

At present, many agencies and organizations are leading local studies and projects to address climate change and habitat restoration in the San Francisco Bay, and several have the potential to have a significant impact to the South Bay Shoreline:

1. Regional project-design challenge to address climate change and sea level rise;
2. 100-year tidal flood protection and tidal marsh habitat restoration project;
3. Local planning for construction of FEMA-certifiable coastal levees along the shoreline; and
4. Implementation of a regional voter initiative that will fund efforts for the restoration and enhancement of San Francisco Bay.

With respect to public access and recreational opportunities at the South Bay shoreline, County Parks and Recreation is expanding the Salt Marsh Safari program and is engaged in the procurement process for consultant services to evaluate the feasibility of establishing a public dock in Alviso.

With direction from HLUET and, ultimately, the Board of Supervisors, the Administration could engage regional stakeholders and organizations to explore additional opportunities for recreation and community events along the South Bay shoreline, with a particular focus on Alviso, to raise the profile and attractiveness of Alviso as a destination as well as examine the feasibility of expanding local emergency response capabilities for our region.

If the Administration were directed to proceed with a plan to raise the profile and attractiveness of Alviso as a destination, the Asset and Economic Development Director would be engaged to help identify an appropriate consultant to assist with either creating showcase events in Alviso or to review of the need and opportunity for iconic community/recreational events. Secondly, the Administration would identify the consultant resources necessary to proceed with the next steps to designate Alviso an Emergency Access Port.

<u>Emergency Access Port</u>

With respect to possible interest in establishing an Emergency Access Port at Alviso, it would require undertaking these significant steps:

The Administration would need to engage the City of San Jose and the Water Emergency Transportation Authority (WETA) to determine whether an Emergency Hovercraft Port in Alviso would be feasible for the region given the findings of the "South San Francisco Bay – the South San Francisco Bay Emergency Access Study."

In addition to the City of San Jose and WETA, the other stakeholders and permitting agencies identified in the Emergency Port Access Study for an Emergency Hovercraft Port project include, but are not limited to:

- Santa Clara Valley Water District (SCVWD): The SCVWD requires encroachment permits for all construction activities along or within a watercourse (including levees) where it owns easements or property. Activities requiring a permit include grading adjacent to a watercourse, along levees, or within a channel and/or any activity resulting in modifications to the drainage, discharge or conveyance of a watercourse.

- Metropolitan Transportation Commission (MTC): Develops coordinated emergency response capabilities for transportation agencies throughout the nine-county San Francisco Bay Area, via a Regional Transportation Emergency Management Plan (RTEMP). In the event of an emergency, MTC activates the RTEMP and coordinates with Bay Area transit agencies to prepare damage assessments of regional transportation systems, establishes the types and levels of services transit providers in affected areas are capable of providing, and coordinates directly with transit operators for basic transportation services.

- Bay Conservation and Development Commission (BCDC): The BCDC has jurisdiction over the waters of the greater San Francisco Bay, including portions of most creeks, rivers, sloughs and other tributaries that flow into the Bay. BCDC also has jurisdiction over the first 100 feet inland from the Bay shoreline. Under the McAteer-Petris Act and the Bay Plan, BCDC requires a San Francisco Bay Permit for the placement of fill, extraction of materials, or substantial change in the use of any water, land or structure in its jurisdiction. BCDC grants San Francisco Bay Permits for projects that are necessary to the safety, welfare, or health of the public in the entire Bay Area or are consistent with the Bay Plan.

- US Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS): Alviso Slough is the intermediary waterway between the freshwater Guadalupe River and the San Francisco Bay estuary that passes through a portion of the Don Edwards San Francisco Bay and formal salt ponds managed by USFWS to preserve and enhance wildlife habitat. The USFWS and NMFS have authority over projects that may kill or harm a federally listed species, or significantly modify its

habitat. A project that may affect a federally listed species requires an incidental take permit under Section 10(a) of the ESA or a federal interagency consultation under Section 7 of the ESA. Any activity that might adversely affect essential fish habitat also requires consultation with NMFS. Several federally listed fish species occur in the Alviso Slough area.

- Bay Area Urban Areas Security Initiative (Bay Area UASI): Bay Area UASI administers grant funds, conducts risk and capability assessments, supports policy development and implementation, and develops and disseminates tools and best practices among the region's emergency response and management disciplines.

The Major Initiatives Underway along the South Bay Shoreline

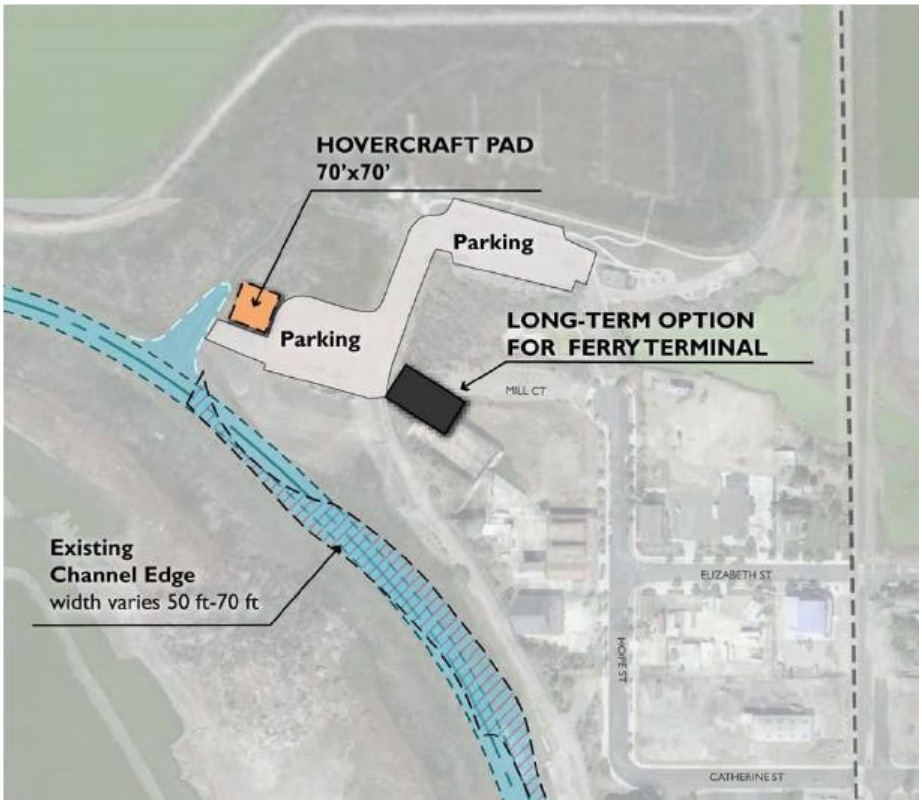
The following information describes the background and status of the major studies or initiatives underway in the South Bay Shoreline:

1. Emergency Access to the South Bay Shoreline

Expanding Local Emergency Response Capabilities for our Region

As highlighted in previous reporting to this Committee, the County participated in the funding of a local study of emergency water access and economic development opportunities for the South San Francisco Bay – the South San Francisco Bay Emergency Access Study (Emergency Port Access Study). After initial evaluation of the physical requirements and potential environmental impacts of several project along the South Bay shoreline at Alviso, Cargo Port and Ferry Terminal concepts were eliminated from further consideration by the Emergency Access Study.

The Emergency Port Access Study determined that most water-based projects at Alviso would require considerable dredging given the shallow depth of Alviso Slough and its distance to the bay (approximately 4.5 miles). Given the potential presence of contaminated sediments and increased disposal expenses, any new dredging project would impose considerable costs and significant challenges associated with permitting – challenges which, according to the Emergency Port Access Study, rendered **any concept that required extensive dredging infeasible**. The final phase of the Emergency Port Access Study included an analysis of the costs and economic benefits to the South Bay of projects that would not requiring dredging, including a proposed Emergency Hovercraft Port adjacent to the Alviso Marina County Park:



The primary objective of the Emergency Hovercraft Port concept would be to allow for the transport (import and export) of people, goods, and/or emergency supplies following a catastrophic event. The Emergency Hovercraft Port concept would serve primarily as an access point for first response personnel, and could also provide limited "recovery transportation" via a ferry between Alviso and San Francisco. According to the Emergency Port Access Study, the concept would contribute to redundancy of emergency response in the South Bay, complementing the area's existing emergency network and WETA.

The final Emergency Port Access Study report was released in March of 2011, concluding that **an Emergency Hovercraft Port could be feasible and was estimated to result in net benefits to the South Bay**. The Emergency Port Access Study report identified a proposed project initiation timeline for the Emergency Hovercraft Port of at least five years, given that the project would require additional planning and permitting, collaboration with regional stakeholders, and the identification of funding sources:

Source: South San Francisco Bay Emergency Port Access Study, AECOM

According to the Emergency Port Access Study, the initial planning steps for an Emergency Hovercraft Port would be to obtain City of San Jose approval, and to collaborate with WETA. New developments in Alviso would require local approvals from the City's Planning, Building and Public Works department, and depending on the particular development proposed, it is anticipated the emergency port concept might require the following City permits: Development, Building / Development Clearance, Historic Preservation, Grading, Demolition, Haul Route, and Lateral. Additionally, for project sites located within a Special Flood Hazard Area or 100-year Flood Zone, Flood Zone Clearance must be obtained from the City's Director of Public Works prior to issuance of a building permit. The emergency port concept is located within an area identified as Zone A by FEMA, a zone considered to be a Special Flood Hazard Area, and as a result, a Flood Zone Clearance likely would need to be obtained.

WETA is responsible for planning and building an emergency response and disaster recovery water transportation system for the region to respond to an earthquake or other disaster, and to coordinate the Bay Area's publically owned ferry fleet in response to emergencies affecting the Bay Area transportation system. As recently as 2011, WETA examined the potential implication of adding hovercraft to their fleet for service and emergency response in the Bay Area. The WETA commissioned study found, in part, that while hovercraft could provide emergency response capability to access any bay side location with a shore crossing, **the inability of hovercraft vessels to provide service to most, if not all, existing and future San Francisco Bay terminals would significantly limit their utility in the event of a regional disaster that required deployment of emergency water transit services**.

2. Climate Change

Bay Area Resilient by Design Challenge

Since the Administration's previous report to this Committee in August, the SCVWD Board received information regarding a public / private partnership with the goal of developing design strategies to address climate change and earthquake vulnerabilities around San Francisco Bay. The Bay Area Resilient by Design Challenge is an effort lead by representatives from organizations and agencies from around the Bay Area, including, but not limited to, the cities of San Francisco, Oakland and San Jose, Marin and San Mateo County, the BCDC, Association of Bay Area Governments, and the California Coastal Conservancy.

According to Resilient by Design, the stated objectives of the design challenge are:

- Create innovative and implementable design solutions that provide resilience through the end of the century and capture the imagination of the public;
- Enrich locales that reflect the Bay Area's diverse population and geographies;
- Enhance the ecological and economic vitality of the Bay and the region;
- Create opportunities for collaboration among a wide variety of stakeholders; and
- Improve access to the Bay for everyone.

Research on the project will begin in early 2017, and design teams will engage local government agencies, academic institutions, and community stakeholders to gain a more complete understanding of local interdependencies of large-scale infrastructure planning, housing, economic development, transportation, ecology, and conservation in the region. Final design, finance, and implementation plans will be submitted to an expert panel in mid- to late 2017. Projects that have garnered local government and community support will receive public recognition from elected officials at the end of 2017, and implementation plans for the final designs will be developed based on identified funding sources.

3. Flood Control and Ecosystem Restoration

South San Francisco Bay Shoreline Study

As was previously reported, the largest ongoing initiative is the South San Francisco Bay Shoreline Study (the Study) being led by the SCVWD, the California State Coastal Conservancy (CC), and the U.S. Army Corps of Engineers (USACE). Originally authorized by Congress in 2005, the Study directed the partners to develop a plan to provide 100-year tidal flood protection and anticipate sea level rise along the South Bay Shoreline. The Study is being coordinated with the South Bay Salt Pond Restoration Project, and any recommended flood protection measures must be in place before full pond restoration can be completed.

The Study is being conducted in phases, with the first major phase focused on the North San Jose / Alviso area (referred to as Economic Impact Area 11 in the Study). In December 2015, the USACE signed the final Feasibility and Environmental Document, recommending that Congress approve and authorize funding for flood protection in EIA 11. Design work has begun and will proceed in parallel with the legislative funding process over 2016-2017. Once the final design is complete and permits are received from the Regional Water Quality

Control Board (RWQCB) and the Bay Conservation and Development Commission (BCDC), construction is anticipated to begin in 2018.

Phase 1 of the construction project (around Alviso / EIA 11) will involve constructing four miles of FEMA-certifiable coastal levees, a large portion of which will be graded as a 30:1 ecotone, sloping gently bayward to expand tidal marsh transition habitat. In addition, 2,900 acres of marsh will be restored, existing Bay Trail sections will be connected and extended, and pedestrian bridges and observation platforms will be constructed. Local match funding for the project is expected, in part, from Measure AA funds.

Additional phases of the Study will focus on bay shoreline areas further northward along the Peninsula (Economic Impact Areas 1-10, according to the study). Currently, the SCVWD is conducting preliminary studies and developing a proposed alignment for the remaining 14.4 miles of shoreline levees, up to San Francisquito Creek and the San Mateo County line. Final mapping and analysis of economic impacts in areas 1 – 10 is currently underway, and a full feasibility study should be completed by the end of 2016. Federal funding for these additional phases is unknown at this time, as the study would require review and approval by the USACE before federal funding could be recommended and authorized. Regardless of the outcome, local funding is expected to be requested through the Measure AA competitive grant process in several years' time.

Passage of Measure AA

Measure AA, the Bay Area-wide parcel tax for Bay restoration projects, passed on June 7 with just over 70% of the vote. The measure levies a $12 parcel tax across the 9-County Bay Area for 20 years, and is projected to yield $500 million for restoration projects. The measure requires that 50% of the total net revenue will be allocated according to population, with the South Bay (equivalent to Santa Clara County) receiving at least 12% of the total funding. The remaining 50% of the total net revenue will be allocated over time, through a competitive application process and through the project selection criteria within the measure.

4. Public Access and Recreation

County Boat Tours at Alviso Marina and Other Recreational Opportunities at the Shoreline

In addition to the levee improvements, Bay Trail extension and observation platforms, and marsh restorations offered by the above projects, the County is proceeding with several programs funded in the FY2017 Budget. The first is the expansion of the **Salt Marsh Safari program** from its 2016 pilot status into a full-time operation in FY2017. With one-time funds to purchase a larger boat and to provide storage, and ongoing funds for operations and an additional park ranger position, the Parks Department will be able to expand the popular

program, which is currently fully subscribed through the Fall of 2016. The procurement of a new boat, which will provide relief to the Sherriff's Department, will proceed via a direct purchase, rather than an RFP, at the suggestion of the Procurement Department. Parks staff is currently researching options with boat manufacturers, and expects to issue the purchase request by December, which should enable the start of full commercial operations in April 2017.

In addition to the Alviso Marina County Park, there are a variety of recreational facilities located at or near the South Bay Shoreline which could be utilized by the community for events and additional outdoor activities:

- South Bay Yacht Club
- Alviso Levee Tail / Bay Trail
- San Francisco Bay Area Water Trail
- Alviso Historic District
- Don Edwards National Wildlife Refuge

Public Docking and Transportation Services

Parks is working with a consultant to setup a Project Agreement for a Feasibility Study to evaluate a public dock in Alviso. Parks staff intends to report back to HLUET in March of 2017. Public docking in Alviso is an idea that has been explored in the past, and one that would be an essential precursor to a transportation project idea – that of Bay Area-wide ferry service.

The Water Emergency Transportation Authority (WETA) is the regional public transit agency tasked with operating and expanding ferry service on the Bay. Citing the need to explore service to locations previously not considered viable due to excessive travel time, environmental obstacles or high costs, WETA's 2016 Strategic Plan identified the South Bay as an emerging market for expanding ferry service in the Bay Area. The Plan indicated that expanded ferry service may be a cost-effective option worth exploring for local communities in the South Bay, such as, Menlo Park, Palo Alto, Mountain View, Alviso, Milpitas, or Fremont, and that WETA is prepared to work with regional stakeholders to identify and develop cost-effective options for serving these areas.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

BACKGROUND

On March 24, 2009, the Board of Supervisors approved an allocation of $60,000 in one-time funds to the San Jose Silicon Valley Chamber of Commerce for the County's share of a local match of funds for completion a South San Francisco Bay Emergency Port Access Study.

On March 20, 2012, at the Board of Supervisors' meeting, Supervisor Cortese made a Board referral to the Administration to report back to Finance and Government Operations Committee on possible next steps in the study and planning for an Alviso Emergency Access Port.

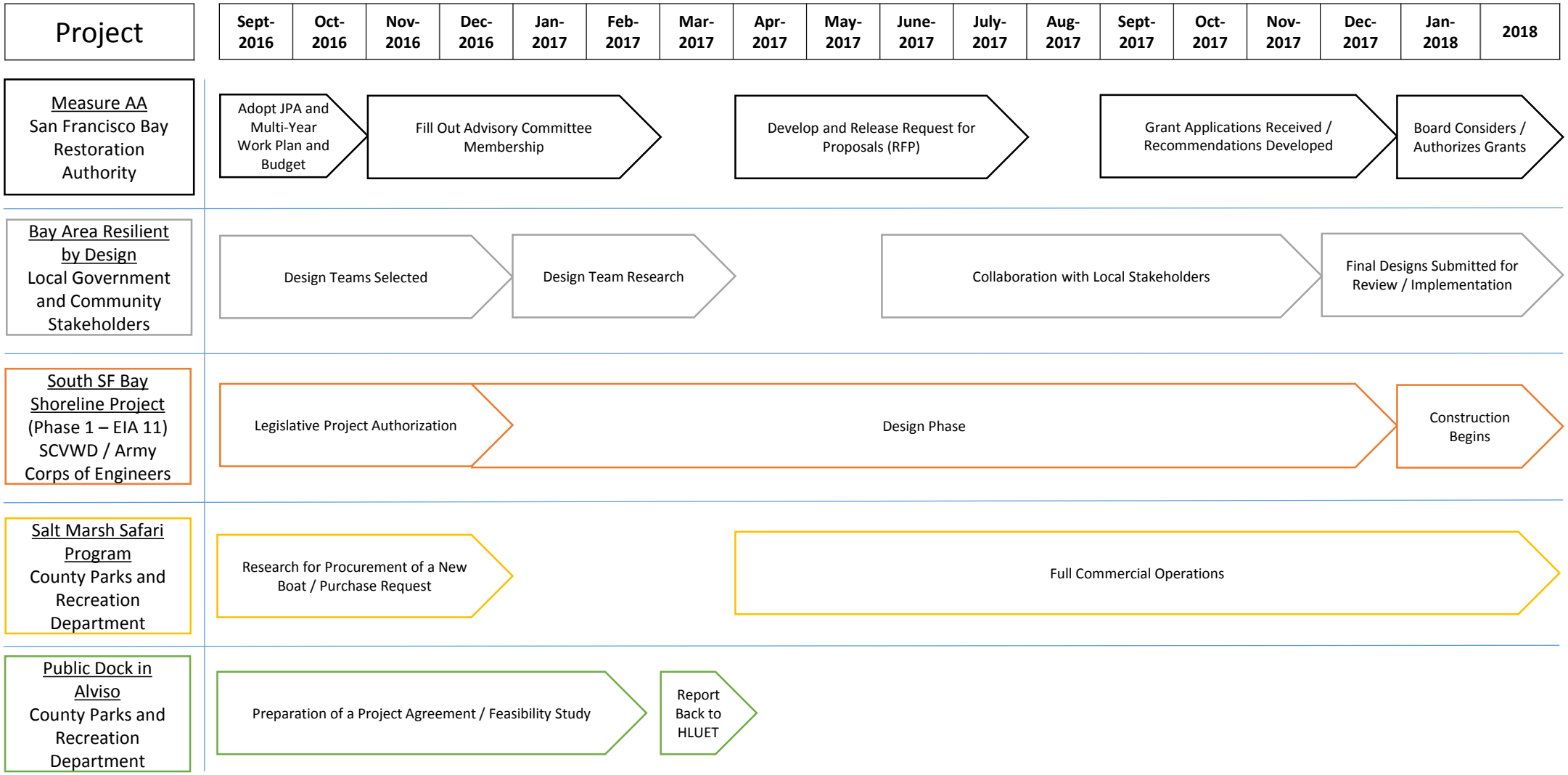
On April 12, 2016, at the Board of Supervisors' meeting, Supervisor Cortese made a Board referral to the Administration to prepare a work plan jointly with the SCVWD for the study of the South Bay Shoreline and waterfront issues and opportunities in the areas of flood control, emergency access, economic development, parks and recreation, and tourism. Supervisor Cortese directed the Administration to report to HLUET at the August 2016 meeting with an initial work plan.

At the August 18, 2016 meeting of HLUET, the Committee requested a chronological work plan of anticipated South Bay Shoreline project milestones, and directed the Administration to report back on additional areas of joint study and activity with the Water District.

ATTACHMENTS:

- Attachment A - Bay Area Shoreline Project Milestones (2016-2018) (PDF)

Current Bay Area Shoreline Projects (2016-2018)



Attachment: Attachment A - Bay Area Shoreline Project Milestones (2016-2018) (83047 :

Bay Area Shoreline Project Milestones (2016-2018)

Measure AA

San Francisco Bay Restoration Authority

- **September – October 2016** Adopt JPA and Multi-Year Work Plan and Budget
- **Nov. 2016 – Feb. 2017** Fill Out Advisory Committee Membership
- **April – July 2017** Develop and Release Request for Proposals (RFP)
- **September – December 2017** Grant Applications Received / Recommendations Developed
- **January 2018** Board Considers / Authorizes Grants

Bay Area Resilient by Design

Local Government and Community Stakeholders

- **September – December 2016** Design Teams Selected
- **January – May 2017** Design Team Research
- **June – November 2017** Collaboration with Local Stakeholders
- **December 2017** Final Designs Submitted for Review
- **2018** Implementation

South San Francisco Bay Shoreline Project (Phase 1 – EIA 11)

SCVWD / Army Corps of Engineers

- **October 2014** Army Corps of Engineers Approved Plan
- **December 2015** Corps Chief's Report Approved
- **March 2016** SCVWD Board Certified Environmental Impact Report
- **2016** Legislative Project Authorization
- **2016 – 2017** Design Phase
- **2018** Construction Begins

Expansion of Salt Marsh Safari Program

County Parks and Recreation Department

- **May 2016** Inventory Item: Alviso Boat Tours
- **September 2016** Request for Proposals (RFP) for Boat
- **October 2016** Request for Proposals (RFP) Due
- **December 2016** Proposal Evaluation and Selection of Winning Bid
- **April 2017** Start of Full Commercial Operations

Evaluation of Public Dock in Alviso

County Parks and Recreation Department

- **September 2016** Request for Proposals (RFP) for Consultant Services
- **End of 2016** Study Completed
- **January 2017** Parks Report Back to Board of Supervisors

Attachment: Attachment A - Bay Area Shoreline Project Milestones (2016-2018) (83047 :

County of Santa Clara
Consumer and Environmental Protection Agency

82340

DATE: October 20, 2016

TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)

FROM: Amy Brown, Dir., Consumer & Environmental Protection Agency

SUBJECT: Construction and Funding of New County Animal Shelter

RECOMMENDED ACTION

Receive report from the Consumer and Environmental Protection Agency relating to construction and funding of a new County Animal Shelter. (Held from September 15, 2016 Housing, Land Use, Environment, and Transportation Committee, Item No. 8)

FISCAL IMPLICATIONS

There is no impact on the County General Fund as a result of receiving this report. Nor is there a net impact on the County General Fund from including the Animal Shelter cost in the jail financing, due to the $2.9 million in annual debt service savings that were realized from the refunding of the Series K and L Lease Revenue Bonds in June of this year, which are more than enough to cover the estimated new annual debt service for the project.

REASONS FOR RECOMMENDATION

At the April 26, 2016 Board of Supervisors meeting, the Board directed Administration to report information and recommendations on the construction of a new County Animal Shelter through the Housing, Land Use, Environment and Transportation (HLUET) Committee.

The Board's referral directed that staff's report address capital funding options, including an inclusion of this project with the 2017 lease revenue bond issuance for the new jail facility, the use of one-time funds, and private sector donations. Staff further was directed to consider options to provide the County the flexibility of potentially partnering with the Cities of Morgan Hill and Gilroy in the future.

Executive Summary

The Administration is planning to use either one-time funds or lease revenue bonds to finance construction of the new Animal Shelter. These two funding options provide the most certain and expedient path to a new Animal Shelter, one that would provide the animals entrusted to the County's care, the public who comes to volunteer or adopt an animal, and

County employees who work there every day, a modern, healthy, safe and inviting facility of which the County could be proud.

Thus, the Administration plans to combine financing for the new Animal Shelter with the jail financing, currently planned for September 2017, or use one-time funds, if approved by the Board of Supervisors upon adoption of the Fiscal Year 2017-18 County Budget. Combining the two projects for a lease revenue bond debt financing would result in efficiencies in that fixed costs for issuance (bond and disclosure counsel, credit rating, trustee, financial advisor, printing, etc.) would be the same for the jail alone or for the combined project. The new facility, once built, could be used as collateral for future lease revenue bond financings. Finally, the County's Finance Director advises that annual debt service savings that resulted from the refunding of the Series K and L Lease Revenue Bonds in June of this year are more than enough to cover the estimated new annual debt service for the project.

Funding Options

A. Public Financing

General governmental facilities such as public animal shelters are typically publicly financed, usually with General Obligation or lease revenue bonds. Public agencies such as the County can avail themselves of public financing tools that are unavailable to the private sector for construction and that are less expensive because they are, in large part, tax exempt.

General Obligation (GO) Bonds are the most secure form of governmental debt and therefore the cheapest debt, and they are repaid by increased tax revenues rather than the General Fund; however, they require approval by two-thirds of the electorate, which is a daunting challenge. The amount of money necessary for the new Animal Shelter is too small on its own to warrant the expenses associated with waging a campaign for approval by voters; however, the costs could be combined with other projects, if the County were planning a GO Bond package for a future ballot. Polling would be necessary to ascertain whether a new Shelter would likely garner enough positive votes.

Lease revenue bonds and Certificates of Participation (COPs) do not require voter approval and are typically repaid from the General Fund or from revenues that would otherwise flow to the General Fund. However, as with financing of any type, by spreading the payments out over time, they can reduce payments to a manageable amount.

Examples of municipal animal shelters publicly financed include the following:

- The County of Contra Costa, which issued lease revenue bonds in May 2001 to build a new animal shelter, along with other capital projects, completed in 2005;
- The City of Berkeley, which obtained voter approval of a GO Bond measure in 2002 and supplemented with COPs in 2010 when additional funds were needed for a new animal shelter completed in 2013; and
- The County of Sacramento, which used both revenue bonds and COPs in 2006 to fund their new animal shelter completed in 2009.

The City and County of San Francisco's FY 2016-25 Ten-Year Capital Plan indicates that $49 Million for a new animal shelter would be included in a GO Bond proposed for June

2016. However, a January 26, 2016, SF Gate article states that animal shelter was removed from the planned bond package because polling indicated it was a low priority for residents. The Executive Director of San Francisco's Animal Care and Control recently informed County staff that San Francisco now intends to finance the cost of a new animal shelter using COPs.

B. One-Time Funds

Use of one-time funds when available provides an alternative to financing capital projects. For example, in 2014, the County of Placer Board of Supervisors approved the use of $22.1 million from the General Fund for construction of a new state-of-the-art animal shelter to replace a small, outdated shelter built in the 1970s. The shelter, located in Auburn, is expected to open this year.

The County's FY 2017 budget includes $138.6 Million for capital projects, with much of that funding coming from the unprecedented amount of $403.4 Million available in one-time funds. Should FY 2018 yield a similar amount of one-time funds, construction of the new animal shelter could be funded from such funds.

C. Private Sector Donations

In 2014, the County contracted with a fundraising consultant, Olive Grove, to assess the feasibility of the County raising the funds necessary to construct a new animal shelter through private donations. Olive Grove concluded that it was not feasible for the County to expect to raise $25 million through donations because the County does not have the fundraising infrastructure nor the community relationships in place, and the fundraising target would be substantial. Olive Grove thought that, with additional staff and resources, the commitment of public funds toward shelter construction, and a multi-year effort, it may be possible for the County to eventually raise $10 million through donations. The County is interested in having a fundraising component to this project to increase ties to community stakeholders and create investment in the future of the facility and operations. There will be possibilities for such elements as a wall to identify major contributors.

Olive Grove's conclusion that it is not feasible for the County to build the new animal shelter with donated funds is consistent with the experiences of non-profit animal welfare groups. The private Humane Society of Silicon Valley (HSSV), which opened a new shelter in Milpitas in 2009, needed over ten years to raise the funds to construct the shelter. HSSV started its campaign with several advantages that the County (or any other government agency) would not have: a strong existing donor base; a board of directors experienced in charitable giving and/or fundraising; and several staff devoted to fundraising, including a Vice President of Development who oversees 10 development professionals. In addition, the public is accustomed to donating to humane societies, so HSSV's name supported its effort. Even with these advantages, it still took over a decade to raise the funds privately.

Similarly, the Peninsula Humane Society & SPCA (PHS/SPCA) a private non-profit which operates in San Mateo County, raised the money to build its animal shelter in Burlingame from donations. It took approximately five years to raise $24.5 Million of the $26.5 million needed for the shelter, and fundraising efforts to pay the remainder continued for several

years after the shelter opened in 2011. As with HSSV, PHS/SPCA already had the fundraising infrastructure and advantages of successful non-profits at the beginning of its capital campaign.

Olive Grove's conclusion also is consistent with the lack of municipal facilities built with donations. Staff was able to find only one example in California of a municipal shelter built entirely with donated funds. In Inyo County, a non-profit group was able to raise through private donations the $800,000 necessary to build Inyo County's new animal shelter in Big Pine.

The only other example staff could locate of a significant amount of donated funds paying for part of the construction of a municipal animal shelter is a joint city-county animal shelter in San Diego that received a $2 million donation from Joan Kroc (a billionaire philanthropist and heir to the McDonald's restaurant fortunes) and a $2 million donation from Helen Copley (former publisher of The San Diego Union-Tribune and its predecessors, and also a prominent philanthropist) for building the Kroc-Copley Animal Shelter in downtown San Diego, which opened in May 2003.

Serving the Cities of Morgan Hill and Gilroy

Currently, the City of Gilroy does not provide services to residents relating to stray cats. The City of Morgan Hill does not have the ability to house cats, but has agreed to reimburse the County of Santa Clara's Animal Care and Control for accepting stray cats. The limiting factor when it comes to accepting cats is space, which is in short supply at the existing County shelter. Both Morgan Hill and Gilroy have limited services available for stray dogs; residents of these cities have to rely on neighboring shelters to accept them.

The County currently charges either city $110 per animal accepted from that city, pursuant to a letter of understanding between the County and each city. The City of San Jose has similar agreements with the two cities and also accepts animals from them pursuant to those agreements.

Some agencies have generated additional funds for the construction of new animal shelters through contracts to serve other jurisdictions. For example, the County of Orange Board of Supervisors recently approved spending up to $35 million for the construction of a new animal shelter in Tustin to replace a much smaller shelter built in the World War II era. The County of Orange expects that the 14 cities that use the shelter services will contribute approximately $30 million of that cost.

Similarly, the County of San Mateo agreed to advance the $20 million in funding necessary to construct a new animal shelter located in the City of San Mateo, with the 20 cities in that county who use the shelter repaying the County through interest-free lease payments over a 30-year period. Each city's amount of repayment will be based on its three-year average use of the shelter and its population, with the use determining 80% of the repayment amount and population determining the remaining 20%. Lease payments will begin upon issuance of the certificate of occupancy for the new shelter.

The City of San Jose used its General Fund for most of the nearly $18 million to construct its animal shelter, which opened in 2004. However, approximately $1.1 million in capital

contributions resulted from contracts to provide animal services – both animal control and sheltering – to the cities of Cupertino, Los Gatos, and Saratoga. Under the contracts, these cities also agreed to pay San Jose annual amounts for services, and San Jose agreed to certain response times and other standards applicable to its services. Another city, Milpitas, also entered into a contract with San Jose for animal services, but Milpitas did not pay anything toward the capital costs of San Jose's animal shelter.

The County of Santa Clara could partner with the cities of Gilroy and Morgan Hill to provide regional animal shelter services that would serve all of the South County area, which would better serve residents and animals living in South County. Staff does not know whether either city is interested in entering into such an agreement, although the City of Morgan Hill has recently expressed interest in possibly using the County's services for animal care and control more, so perhaps there would be interest by at least that city. As other jurisdictions' inter-agency agreements show, the agreements could include participation in the cost of constructing the new animal shelter, as well as provision of animal control or animal sheltering services under agreed upon conditions.

Alternatively, the County could continue to charge the cities of Gilroy and Morgan Hill for sheltering animals from those cities on a space-available basis, pursuant to the current arrangement.

CHILD IMPACT

The recommended action impacts the Healthy Lifestyle indicator by expanding opportunities for educating youth on animal care, dog bite prevention, and owner/guardian responsibilities. The new Animal Shelter would entertain tours and classes for children to learn about safe animal interaction and proper techniques for animal care. The recommended action impacts the Children Living in Safe and Stable Families indicator by providing a safer environment for children to interact with Shelter animals that the family is considering for adoption.

SENIOR IMPACT

The recommended action has a positive impact on seniors by providing a safer environment for seniors to interact with Shelter animals that they are considering for adoption.

SUSTAINABILITY IMPLICATIONS

The recommended action has a positive impact on sustainability because a new Shelter will conform to County sustainability standards.

BACKGROUND

The County's Animal Care and Control Division operates an Animal Shelter in San Martin that serves unincorporated Santa Clara County from the Stanford University campus to rural areas near Gilroy. When capacity is available, the Shelter also provides care for animals from the cities of Morgan Hill and Gilroy.

The existing Animal Shelter facility was constructed in the 1970s. It is located adjacent to the South County Airport and is easily seen from southbound Highway 101. The facility is too small, in significant disrepair, and wholly inadequate for the staff, volunteers, and the treatment and sheltering of animals. The facility is not conducive for promoting animal

adoptions or attracting members of the public to visit. The existing facility is unable to expand at its current site due to its close proximity to the Airport.

The age, size, and design of the current facility are substandard and do not reflect the many improvements in animal care and customer experience that have arisen since the Shelter was constructed. The Shelter is not equipped to provide the full array of modern animal shelter services, such as a public spay/neuter clinic, a state-of-the-art clinic equipped to handle complex animal medical and behavioral conditions, free-roaming cat enclosures, a modern and energy efficient HVAC system to reduce odors and supply conditioned air for animals and staff, improved living quarters for dogs, and to be an inviting destination for prospective pet adopters, volunteers, and Shelter supporters. In the last few years, the County has had to add two modular buildings to the grounds of the current Shelter in order to provide a clean break room for staff and to add a veterinary treatment area that complies with State law.

A new, expanded facility on the site of the former County Courthouse at the County's Highland complex in San Martin could become a regional Shelter with the capacity to fully serve both the unincorporated areas and the cities of Morgan Hill and Gilroy. Incorporating green building design features relating to heating, cooling, energy use, and water use would conform to County sustainability standards and lower ongoing maintenance and operational costs. A modern facility would improve animal health, increase animal adoptions, and provide a more pleasant environment for employees, volunteers, and patrons.

The existing Shelter typically operates at maximum animal capacity with excess animals placed into foster care or with rescue organizations. Based on trends in animal intakes and anticipated future population growth in the unincorporated area of the County that the Shelter serves, Animal Care and Control anticipates that more animals will need to be housed at the County Shelter. The Shelter is an "open door" facility that accepts all animals regardless of their age or condition from the unincorporated area of the county.

The existing facility has housing for up to 40 dogs. With most dogs in the same room, there is a high level of noise, increased stress for the animals and limited disease control. Increasing the size and incorporating new Shelter design concepts would decrease noise levels, reduce animal stress levels, improve health and safety conditions, and provide the public with an enhanced experience.

The existing facility has housing for up to 85 cats in various rooms of the Shelter. During seasonal peaks, it is not uncommon for the Shelter to intake over 200 cats that are cared for at the Shelter and in foster homes. Overcrowding results in increased stress levels and may result in disease outbreaks. New shelters typically incorporate "cageless" cat-holding areas that are easier to clean and sanitize and help reduce stress on the animals.

The County's urban and rural service area contains a diverse population of animal species, including livestock. Stray horses must be held by Animal Care and Control for at least two weeks or until the owner is located. The current Shelter has limited ability to house horses and other livestock. A new facility could accommodate the increasing number of both large and small livestock.

A 2004 Animal Services Needs Assessment Study for the County of Santa Clara recommended an increase in space to safely and effectively care for the increased number of animals anticipated and to provide expanded services of an updated animal Shelter.

In 2009, the Board approved a transfer of funds from the Department of Agriculture and Environmental Management (AEM) to the Facilities and Fleet Department (FAF) for a Programming Study for a regional animal shelter in South County. That study was finished in early 2013 and presented to HLUET on March 21, 2013. The study identified structural space needs for a new Shelter of approximately 32,600 square feet and estimated the cost to construct the new Shelter at $21.7 Million in 2014 dollars.

In December 2013, AEM issued a Request for Proposals for fundraising consultant services, and in April 2014, awarded a contract to Olive Grove Consulting to study the feasibility of raising the funds necessary to build the new Shelter from private donations through a capital campaign. In December 2014, Olive Grove presented its final report, which concluded that it was not feasible for the County to raise the funds through a donor campaign.

The County's Animal Advisory Commission presented the Board a letter dated April 14, 2016, in which the Commission urged the Board to replace the aged, inadequate existing Animal Shelter with a modern Shelter with greater capacity.

In the County's FY 2017 budget, $4 Million was allocated for design of a new animal shelter. On August 30, 2016, FAF issued a Request For Statement of Qualifications in order to award a contract for architectural-engineering services to design the new shelter.

CONSEQUENCES OF NEGATIVE ACTION

The Board of Supervisors would not receive the information in the report.

County of Santa Clara
Office of the County Executive

83178

DATE: October 20, 2016

TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)

FROM: Sylvia Gallegos, Deputy County Executive

SUBJECT: Discussion Regarding the County's Role in Space and Master Planning and Real Property Acquisition

RECOMMENDED ACTION

Receive report from the Office of the County Executive relating to existing space and master planning activities to support County operational needs as well as asset development efforts. (Referral from June 7, 2016 Board of Supervisors meeting, Item No. 26)

COMMITTEE RECOMMENDATION

The Administration provided this report and the attached presentation to the Finance and Government Operations Committee at its September 8, 2016 meeting. After receiving the report and presentation, Supervisor Chavez had the following questions and comments concerning the Administration's recommendations:

- In order to meet existing and long-term needs for the business of the County, how do we incorporate real estate costs into our business planning activities, and are there opportunities for the County to generate revenue from those businesses?
- How can the County plan for long-term growth in our facility needs, including opportunities today to acquire property that, twenty-five years from now, may no longer be available to the County?
- Rather than limiting our view of County facilities as performing a service function, by evaluating the potential for those assets to provide a return on investment, the County could formalize a process for thoughtful, long-term reinvestment into our facilities and establish a percentage goal of residuals that may go back into the General Fund.
- The County may benefit from having dedicated staff who, as their sole responsibility, examine investment opportunities in County real estate assets in anticipation of the short- and long-term needs of County departments.

FISCAL IMPLICATIONS

There is no impact to the General Fund as a result of the recommended action.

REASONS FOR RECOMMENDATION

Over the last several years in different settings, some Board members have expressed interest in more robust asset and land management strategies as well as development of specific County sites or to support specific public purposes. More recently, the general discussion arose again at the April 14 FGOC meeting during the presentation of the Facilities and Fleet Department's FY2017 Budget. This report was deferred by the Board several times then referred to FGOC and HLUET from the June 7, 2016 Board meeting.

Board members have expressed support for these strategies:

- Using our assets and land to generate renewable energy and reduce GHG emissions.
- Avoiding selling surplus property in favor of leasing property to generate a revenue stream for the General Fund.
- Supporting certain County purposes, such as, Supportive Housing and Emergency Winter Shelters through development deals or by making available County property.
- Supporting non-profits whose missions are aligned with the County's mission through long-term Below Fair Market Value leases.
- Developing specific County properties including the Civic Center, the Fairgrounds, and Reid-Hillview Airport at the corner of Capitol Expressway and Tully Road.

Executive Summary

In this report, the Administration is presenting our current efforts in space and master planning as well as asset development in order to stimulate a Board discussion about what form and dimensions should the County's participation in real property acquisitions and development activities take in order to satisfy the Board's expectations of the County's role.

Space and Capital Project Planning and Acquisition of Property

Space planning for the County organization is centrally managed by the Administrative Space Committee. It was previously chaired by the Chief Operating Officer until his retirement, and it is now chaired by a Deputy County Executive and includes the Budget Director, FAF executives, capital planning staff, real estate staff, OBA analysts, Asset and Economic Development staff, and a Facility Manager.

It convenes twice-a-month to oversee the following:

- Address additional **space need requests** by County departments and temporary use of County space by outside entities. Space Planning generally takes the form of:
  - Re-planning existing floor plans
  - Re-negotiating existing leases
  - Acquiring new leased properties
  - Acquiring built facilities, or
  - Constructing new facilities
- Review the status and provide direction on current **capital projects**.
- Review the status of current **capital planning projects**.
- Review the status of **master planning** and **asset development projects**.

FAF's Capital Planning staff participate in the major master planning efforts (described further below) and orchestrate the capital planning projects for the County including new floor plans and future facilities.

Acquisition of New Property

The acquisition of real property is governed by the California Government Code; Section 25353 states "The board may purchase, receive by donation, lease, or otherwise acquire water rights or real or personal property necessary for use of the county for any county buildings, public pleasure grounds, public parks, botanical gardens, harbors, historical monuments, and other public purposes . . ."

The evaluation of opportunities to purchase land for County services, supportive housing, or for development purposes is on an as-needed basis. Once it is determined that acquisition is the most appropriate solution, all types of properties including redevelopment dissolution properties and tax default properties are considered.

There are three ways the County acquires private property for the General Fund or other agencies:

- Request from a County department.
- A property presented to the County by a third party, either an owner or real estate broker.

- FAF Property Management may become aware of a property it believes may be of benefit to the County.

In all cases, the information is conveyed to the Administrative Space Committee for determination if there is any interest in the property. The request is reviewed to determine if it warrants consideration by the County Executive (and ultimately recommendation to the Board.) If so, FAF will evaluate the property for use by the County, taking into consideration location, condition, compatibility for programmatic use, and asking price and terms as it relates to local market rates for similar properties.

If authorized by the Space Committee, FAF will present a non-binding Letter of Interest (LOI) to the owner to obtain a general price and terms. Once the LOI is agreed to by both parties, the price and terms are presented to the Board of Supervisors in Closed Session for consideration.

Roads Department Evaluation Process

Roads acquires property for right-of-way needs associated with approved capital projects. The right-of-way acquisition process is governed by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and the California Relocation Assistance and Real Property Acquisition Guidelines. These guidelines, along with the eminent domain laws of California, lay out the process for the purchase of right-of-way for road purposes.

A majority of the right-of-way acquired by the County is for easements. Fee title is required for acquisitions relating to the expressway system. All property acquisitions are approved by the Board of Supervisors.

Parks and Recreation Department Evaluation Process

Parks uses the voter-approved Park Charter Funds to acquire property, including fee title and easements, which serve a public park purpose, consistent with the policies of the Parks and Recreation Element of the County's General Plan/Countywide Trails Master Plan.

Other Board policy documents including the Acquisition Plan, Strategic Plan, Eminent Domain Policy, as well as various regional planning efforts/documents, such as, the Santa Clara Valley Habitat Plan, provide additional guidance for establishing priority parkland acquisitions.

The Department seeks to acquire land that expands existing, planned regional parks and/or provides linkage between County parks, other parks, and open space preserves. The

Department also acquires property that implements expansion of a countywide regional trails network as envisioned in the Countywide Trails Master Plan. Proposed acquisitions that meet Board policy goals may be independently identified by the Department or suggested from outside parties, such as, private landowners and agency/non-profit partners. When the Department identifies properties suitable for acquisition, a recommendation is made to the Board in Closed Session. Following due diligence and appraisal, a two-step Board approval process is required, culminating in a public hearing to determine if the property interest is of countywide significance and should be acquired.

Master Planning County Sites

The County, through a partnership between the Office of Asset and Economic Development and Facilities and Fleet Department, is currently engaged in, or plans to engage in, three major master planning projects consisting of the County's **Civic Center**, the **County Fairgrounds**, and the **former Downtown San Jose Hospital site**.

The County executed a Master Development Agreement with Lowe Enterprises that will inaugurate an integrated project that not only develops a master plan for the County **Civic Center**, and initiates a program of replacement of aging capital facilities, but it also sets the entitlement foundation for 16+ acre of land for potential revenue-generating uses. The process will take between three to five years to ready the property and involve such elements as the City of San Jose preparing an Urban Village Plan, preparation of the County Master Plan, and completion of on-site infrastructure supporting the 16-acre parcel.

The County also issued a Request for Qualifications and Expressions of Interest (RFQ) to solicit responses from qualified businesses and investors who are interested and can assist the County in developing the 150-acre **Fairgrounds** into a high-quality, vibrant, community and regional gathering place focused on providing active and passive recreational opportunities for the County's residents and visitors.

In the FY2017 Recommended Budget, the Administration funded preparation of an RFQ/RFP for one or more possible public-private partnerships to develop all or portions of a mixed-use project on the approximately 11 acres remaining at the former **Downtown San Jose Hospital site** in accordance with direction from the Board of Supervisors and land use guidelines established in cooperation with the City of San Jose's East Santa Clara Urban Village planning process.

County Asset Development

When the County has real estate assets that are, or may become, surplus to the County's programmatic needs, the Office of Asset and Economic Development is tasked with advising

on their future use, reuse, repurposing, redevelopment, leasing or sale. The Board has indicated a strong preference for retaining real estate assets for the long-term to generate revenue streams over time, rather than one-time sale revenue.

As a result of this preference, the County now has in place five long-term, revenue producing leases from properties that were not being used for County programs. They currently are generating approximately $3.5 million annual revenue net to the County, with periodic rent escalations.

- Piercey Toyota (Elmwood) $840,000
- South Bay Honda (Elmwood) $446,200
- Fairgrounds Senior Housing $483,891
- Fairgrounds Family Housing $939,885
- Acadia Healthcare (455 Silicon Valley Blvd.) $900,000

In addition, and as a result of a recent amendment to the Lease, the Parks Charter Fund receives $225,000 annually from the lease of the Twin Creeks recreational facility.

Elmwood Parcel 4 illustrates how long and difficult development or redevelopment can take to come to fruition. The Elmwood commercial parcels were designated as surplus by the Board fifteen years ago, on March 20, 2001. The first RFP for the commercial parcels was issued November 22, 2002. As a result of this RFP, only Parcel 2 was ultimately leased for the Toyota dealership. On December 23, 2003, a second RFP was issued for the remaining parcels.

Although both bidders that resulted from that RFP subsequently withdrew (General Motors and Hummer), a lease was executed in September, 2006 for the South Bay Honda tenancy, leaving only Parcel 4 still to be leased.

Rent payments did not commence for Honda until 2008 and it did not open for business until 2009. Subsequent RFPs for Parcel 4 were issued in November 2010, April 2011, and May 2015, none of which resulted in a successful bid. From time to time, the County receives inquiries from potential lessees inquiring as to whether the County would entertain offers for less than the full 6.2 acres, as well as an inquiry from the State of California as to whether the Board would be willing to sell the property to develop a Highway Patrol station. However, none of these inquiries have yet reached the stage of containing sufficient information for Board consideration.

In addition, AED assists with evaluating the feasibility of **acquiring assets from the various Successor Agencies** who are selling off former RDA real estate portfolios. The Board has specifically authorized an allocation of funds by which the Office of the County Executive

may bid on assets. The purpose of creating this fund was to position the County to be prepared to bid on properties and take advantage of the County's ability to take a long-term view of asset value.

Specifically, the County is in the process of acquiring several assets from the former San José Redevelopment Agency, including the land under the Hilton Hotel and two revenue participation interests; these acquisitions are in process. In addition, the County has participated in the bidding process for former Milpitas Redevelopment Agency properties. For example, in January 2016, the County submitted a successful bid in the amount of $3.5 million for a property located at 230 N. Main St., Milpitas, that was being sold by the Milpitas Successor Agency. The Board ultimately declined to approve the sale, and the County withdrew its offer.

Planned Initiatives to Support Space and Capital Planning

Because of the County's continuing interest in maximizing the use of our existing assets and improving our ability to plan for the future, FAF is preparing to update a 2005 Real Estate Master Plan, which was prepared to better understand the County's utilization of existing facilities (owned and leased) with a focus on opportunities to optimize occupancies, programming, and utilization of space.

FAF is also in the process of updating its Architectural and Engineering Guide that includes reference to the Green Building Policy as goals for any new building or major renovation. The FAF Sustainability Manager is also assisting with the development of Sustainability Priorities specifically for the Civic Center Master Plan with guidelines relating to urban design, transportation, energy and water conservation, indoor air quality, and materials management.

The County's Role with Respect to Real Property Acquisition

Given the County's present level of effort in space and master planning as well as asset development to support our operational needs, the Administration seeks to better understand what further role, if any, the Board desires the County to have with respect to real property acquisitions and development.

There are difficulties inherent in being a government entity trying to compete to acquire property in a competitive real estate market. The County would be further disadvantaged if it were to be a developer.

The County is not currently staffed to perform the function, and experienced, successful development executives are not likely to trade their current role for government employment.

Real estate development is also inherently a high-risk activity, subject to wide swings in market demand, materials costs, labor availability, and rental rates.

For these reasons, the County has, to-date, taken a lower risk stance and partnered with private developers to take on risk, either as a lessee, such as, at Elmwood and with Acadia Healthcare, or as a master developer, such as, is being presented for the Civic Center with Lowe Enterprises.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

LINKS:

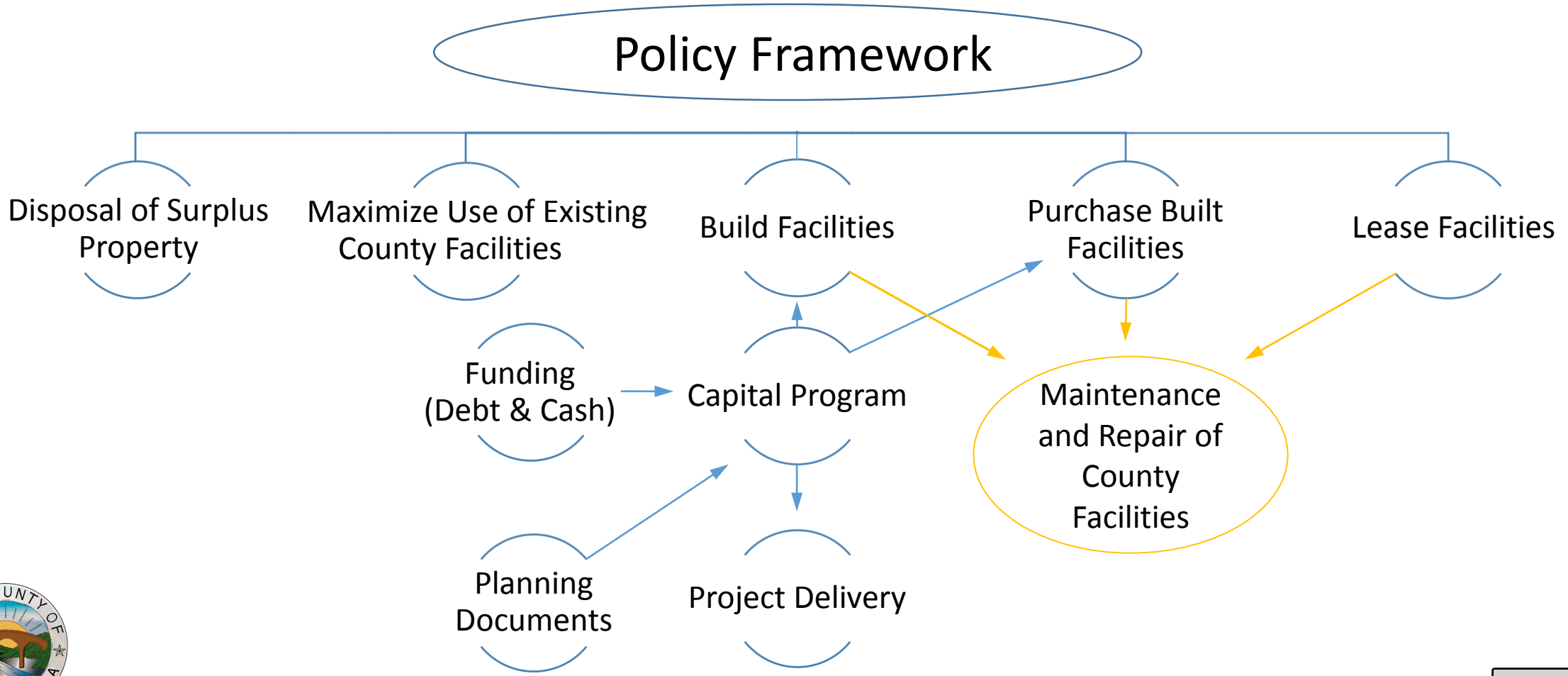
- Linked To: 81118 : 81118
- References: 82535 : 82535

ATTACHMENTS:

- The Universe of Space and Capital Activities (PDF)

The Universe of Space and Capital Activities

Mission: Plan for, acquire, and maintain space and facilities to meet County operational needs now and in the future



Attachment: The Universe of Space and Capital Activities (83178 : Discussion Regarding

Policy Framework

#1.

Recommendation – Update existing County policies to reflect current Board philosophy and to reflect newer thinking

- 4.4 – Policy on Use of One-time Funds
  - Update policy to strengthen the language relating to limiting the use of one-time funds to capital projects and other one-time uses or buying down liabilities
- 4.11 – Policy for Planning, Reporting and Financing Capital Projects
  - Preference for acquiring new facilities over leasing facilities, as appropriate, and retention of County land and facilities
  - Maximize use of County assets, including support of important missions, such as, supportive housing and renewable energy
- 7.8 – Surplus Land Policy
  - Procedures need to be developed to effectuate the desire for an appropriate level of analysis on subject properties

Attachment: The Universe of Space and Capital Activities (83178 : Discussion Regarding

Policy Framework

#1. Recommendation – Update existing County policies to reflect current Board philosophy and to reflect newer thinking

- To support adherence to policies, procedures/criteria would be developed or updated to:
  - Establish when to lease versus purchase facilities
  - Provide guidelines for disposal of surplus County Property (October FGOC)

Attachment: The Universe of Space and Capital Activities (83178 : Discussion Regarding

Maximize Use of Existing County Facilities

#2.

Recommendation – Build upon the Land Asset Map by researching the development of a Dynamic Real Estate and Facility Asset Map and Plan

- This would be an online tool with GIS layers that would display types of County facilities (e.g., mental health facilities) by geographic areas.

- It would display a profile of each facility (leased or owned): address, APN, square footage, photograph, floor plan, lease rate, etc.

- The system would generate reports, such as, displaying leased facilities' expiration dates

Attachment: The Universe of Space and Capital Activities (83178 : Discussion Regarding

Capital Program

#3. Recommendation – Transition from a 5-year Capital Improvement **Plan** to a 10-year Capital Improvement **Program** that integrates capital planning, operational planning, and long-term financial planning activities

- Enhance CIP to forecast and target use of future resources (funding, project delivery, debt capacity) for a ten-year planning horizon
  - Shifting toward a more comprehensive collection and reporting of resource limitations and uses
  - One of the aims of the CIP would be to report and track anticipated ongoing costs associated with capital projects, such as, annual facility maintenance/operations and annual debt service
  - Finance Agency would incorporate into the CIP the Finance Agency's Debt Affordability Plan

Attachment: The Universe of Space and Capital Activities (83178 : Discussion Regarding

Capital Program (cont.)

- Funding Future Facilities
  - Explore the creation of an accumulated capital outlay or similar fund for the collection of facility depreciation charges, and manage a primary funding source for the CIP
    - The mechanics of these building use charges is very similar to the vehicle use charges FAF administers to fund vehicle replacement
    - County departments using County facilities would pay annual or periodic use fees (in lieu of lease payment) from their operating budgets
    - The money is transferred from the department budgets to an accumulated capital outlay or similar fund, where it is held until it is programmed for use through the CIP
- Use CIP to prevent the County from over-commitment to new capital projects
  - Anticipate, track and report project delivery resource limitations (planning, project management, support)
  - Anticipate, track and report debt capacity (debt ratios, impact to ratings)
  - Forecast and report funding limitations (General Fund, hospital system, grants, self-imposed debt funding limits, and/or any committed funding from depreciation)

Attachment: The Universe of Space and Capital Activities (83178 : Discussion Regarding

Capital Program (cont.)

- <u>Coordinate use of CIP and facility reserves to manage funding and unforeseeable events</u>
  - Reserves used to adjust to unanticipated project costs
  - Reserves used to adjust to unanticipated funding shortfalls
  - Reserves used to react to good acquisition opportunities

Attachment: The Universe of Space and Capital Activities (83178 : Discussion Regarding

#4. Recommendation – Update Mission and Purpose of the Administrative Capital Committee

Current	Proposed
Convenes to review proposed capital projects for inclusion in next fiscal year's budget	Become a forum for high-level, strategic thinking around long-range planning
	Review status of current capital projects
	Review, prioritize, and recommend to County Executive capital projects for next fiscal year's budget

Attachment: The Universe of Space and Capital Activities (83178 : Discussion Regarding

County of Santa Clara
Board of Supervisors
Supervisorial District Three
Supervisor Dave Cortese

83589

DATE: October 20, 2016

TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)

FROM: Dave Cortese, Supervisor

SUBJECT: Joint Board Meeting with Santa Clara Valley Water District (SCVWD)

RECOMMENDED ACTION

Discuss possible joint meeting requested by the Santa Clara Valley Water District and forward request to Board of Supervisors. (Cortese)

REASONS FOR RECOMMENDATION

Santa Clara Valley Water District has approached the Board of Supervisors through my office about conducting a joint board meeting to discuss areas of mutual interest. To evaluate the effectiveness of a meeting the committee should discuss with input from SCVWD. Many of the items fall under the heading of the areas covered by HLUET. Thus it is appropriate to have the initial discussion at the HLUET committee and then pass along any recommendations to the full board for action. Some possible items the SCVWD have proposed for discussion are:

1) Partnering on homeless issues
2) Master Lease Agreement between SCVWD and County Parks
3) Shoreline Study

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

Discussion points with SCVWD will address sustainability issues related to clean water and other environmental topics.

County of Santa Clara
Housing, Land Use, Environment, and Transportation Committee (HLUET)

Supervisor Dave Cortese, Chairperson. Supervisor Mike Wasserman, Vice Chairperson.

County Government Center – 70 West Hedding Street, 1st floor
San Jose, CA 95110 Phone 408-299-5001 TTY:993-8272

DATE: September 15, 2016, Regular Meeting
TIME: 10:00 AM
PLACE: Board of Supervisors' Chambers

MINUTES

Opening

1. Call to Order.

Chairperson Cortese called the meeting to order at 10:06 a.m. A quorum was present.

Attendee Name	Title	Status	Arrived
Mike Wasserman	Vice Chairperson	Present	
Dave Cortese	Chairperson	Present	

2. Public Comment.

No public comments were received.

3. Approve consent calendar and changes to the Committee's Agenda.

3 RESULT: **APPROVED [UNANIMOUS]**
MOVER: Mike Wasserman, Vice Chairperson
SECONDER: Dave Cortese, Chairperson
AYES: Wasserman, Cortese

Regular Agenda - Items for Discussion

4. Receive report from the Office of the County Executive relating to Departments' Current tree removal and notification protocols and work plan for revisions to Ordinance Code Division C16 – Tree Preservation and Removal. (ID# 82965)

Chairperson Cortese requested an update at the November Committee meeting and stated that the Committee members will submit feedback through their respective offices.

4 RESULT: **RECEIVED**

5. Consider recommendations relating to Proposition 67, the Referendum to Overturn the Ban on Single-Use Plastic Bags. (ID# 83083)

Minutes Acceptance: Minutes of Sep 15, 2016 10:00 AM (Consent Calendar)

Possible action:

a. Receive report from the Office of the County Executive.

b. Forward a favorable recommendation to the Board of Supervisors in support of Proposition 67.

Forwarded to the Board of Supervisors with favorable recommendation in support of Proposition 67.

5 RESULT:	**FORWARDED [UNANIMOUS]**
MOVER:	Mike Wasserman, Vice Chairperson
SECONDER:	Dave Cortese, Chairperson
AYES:	Wasserman, Cortese

6. Receive report from the Parks and Recreation Department relating to proposed adjustments to the Fantasy of Lights and vehicle entry fees and forward a favorable recommendation to the Board of Supervisors for adoption of a resolution establishing the proposed fee adjustments. (ID# 82727)

6 RESULT:	**FORWARDED [UNANIMOUS]**
MOVER:	Mike Wasserman, Vice Chairperson
SECONDER:	Dave Cortese, Chairperson
AYES:	Wasserman, Cortese

7. Receive progress report relating to the Parks and Recreation Department's implementation of the Updated Strategic Plan. (ID# 82894)

Chairperson Cortese requested an update in March or April, 2017 relating to the Strategic Plan.

7 RESULT:	**RECEIVED**

8. Receive report from Consumer and Environmental Protection Agency relating to the County animal shelter.

Held to October 20, 2016 at the request of Administration.

8 RESULT:	**HELD**	**NEXT: 10/20/16 10:00AM**

9. Receive report from Consumer and Environmental Protection Agency relating to weed abatement.

Held to October 20, 2016 at the request of Administration.

9 RESULT:	**HELD**	**NEXT: 10/20/16 10:00AM**

Minutes Acceptance: Minutes of Sep 15, 2016 10:00 AM (Consent Calendar)

Consent Calendar

10. Approve minutes of the August 18, 2016 Regular Meeting.

10 RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Mike Wasserman, Vice Chairperson
SECONDER:	Dave Cortese, Chairperson
AYES:	Wasserman, Cortese

11. Receive report from the Employee Services Agency relating to extra-help usage for Fiscal Year 2016 for Agencies and Departments reporting to the Housing, Land Use, Environment and Transportation Committee. (ID# 82901)

11 RESULT: RECEIVED

12. Receive report from the Office of the County Executive relating to recycled water in Santa Clara County. (ID# 83046)

12 RESULT: RECEIVED

13. Receive monthly report from the Office of Supportive Housing relating to the Supportive Housing System of Care. (ID# 83050)

13 RESULT: RECEIVED

14. Receive report from the Parks and Recreation Department relating to the development of a property management database and approve discontinuing annual reporting requirement. (ID# 82781)

14 RESULT: RECEIVED

15. Receive reports relating to competitive grants.

a. Receive report from the Roads and Airports Department relating to competitive grants for period July 1, 2015 through June 30, 2016. (ID# 82852)

15.a RESULT: RECEIVED

b. Receive report from the Department of Planning and Development relating to competitive grants for period July 1, 2015 through June 30, 2016. (ID# 83157)

15.b RESULT: RECEIVED

c. Receive report from the Department of Agriculture and Environmental Management relating to competitive grants for period July 1, 2015 through June 30, 2016. (ID# 83100)

15.c RESULT: RECEIVED

Minutes Acceptance: Minutes of Sep 15, 2016 10:00 AM (Consent Calendar)

d. Receive report from the Parks and Recreation Department relating to competitive grants for period July 1, 2015 through June 30, 2016. (ID# 82934)

15.d RESULT:RECEIVED

Adjourn

16. Adjourn to the next regular meeting on Thursday, October 20 at 10:00 a.m. in the Board of Supervisors' Chambers, County Government Center, 70 West Hedding Street, San Jose.

Chairperson Cortese adjourned the meeting at 10:30 a.m.

Respectfully submitted,

Dave Leon

Deputy Clerk

Minutes Acceptance: Minutes of Sep 15, 2016 10:00 AM (Consent Calendar)

County of Santa Clara
Office of the County Executive
Office of Supportive Housing

83610

DATE: October 20, 2016

TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)

FROM: Ky Le, Director, Office of Supportive Housing

SUBJECT: Supportive Housing Reports

RECOMMENDED ACTION

Receive monthly report from the Office of Supportive Housing relating to the Supportive Housing System of Care.

FISCAL IMPLICATIONS

There are no fiscal implications associated with this informational report.

REASONS FOR RECOMMENDATION

At its meeting on January 12, 2016, the Board of Supervisors directed the Administration to provide the Board with recurring reports or "dashboards" about the capacity and effectiveness of the supportive housing system for homeless individuals and families. The purpose of the reports is to communicate the impact of the County's and the community's investment in solutions to prevent and end homelessness.

Attached are the following monthly reports:

- Supportive Housing System Report (Attachment A)
- Permanent Supportive Housing (Attachment B)
- Crisis Response - Shelter and Transitional Housing (Attachment C)
- Homeless Veterans (Attachment D)

OSH staff are still developing the report on Rapid Rehousing (RRH) programs and Reentry Housing Programs. The Homelessness Prevention report is not provided this month because invoicing and reporting from contract agencies occurs on a quarterly basis.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

BACKGROUND

The supportive housing system includes Permanent Supportive Housing programs (PSH), Rapid Rehousing programs (RRH), Homelessness Prevention programs (HP) and a Crisis Response system of outreach services, emergency shelter and transitional housing. The backbone to the system of care is a coordinated entry system with a robust Homeless Management Information System (HMIS) and dedicated staff to support performance management, compliance with federal grants and system planning.

This report describes the type, content of and frequency of reports that the Office of Supportive Housing (OSH) would provide to the Board.

Types of Reports

- Supportive Housing System Report – This report describes the overall supportive housing system of care. The report's primary function is to communicate whether all of the different program types are contributing to an overall reduction in homelessness. For example, the report describes housing placement rates across all programs.
- System Component Reports – The OSH provides four reports, one each for PSH, RRH, HP and Crisis Response strategies. The primary purpose of these reports is to summarize the effectiveness of all programs under each strategy.
- Sub-Population Reports – The OSH provides reports for certain sub-populations. Currently, the only sub-population scheduled for ongoing reporting is homeless veterans. This report provides the Board with a summary of the community's progress toward ending veteran homelessness. Unlike the System Component Reports, this report summarizes the effectiveness of the entire supportive housing system as it relates to homeless veterans, who can and are served by the full range of supportive housing programs.

Report Content

- Programmatic Capacity – Each report describes the total resources that were available to serve homeless individuals and families. Depending on the program type, the resources are categorized in different ways. For example, emergency shelter for single homeless individuals is organized into number of "shelter beds" whereas emergency shelter for homeless families is organized into the number of "shelter units."

- Utilization – Each report provides the current and cumulative utilization rates of applicable programs. As with program capacity, utilization is described differently for different programs. For example, for emergency shelter, utilization is typically limited to how often shelter beds are occupied. However, for PSH programs, utilization reports take into account both enrollment in services and the number of enrolled clients who are housed.
- Performance Measures – As a requirement of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, the OSH and local stakeholders established performance measures by program type and for the supportive housing system as a whole. Each report includes the relevant programs' progress toward community-approved performance measures. For example, housing retention after 12 months is a key performance measure for PSH programs.
- Demographic Information – Each report describes program participants' basic characteristics including, but not limited to, ethnicity, income, gender, income source and last permanent address.
- Funding – Each report provides the total funding and sources of funding for the programs in question.
- Other – Each report includes other information such as expansion opportunities (e.g., new grant opportunities) and development activities (e.g., new permanent supportive housing projects).

Frequency and Status of Reports

The six reports are provided to the Board through the Housing, Land Use, Environment and Transportation (HLUET) committee on a monthly basis. OSH staff estimate that it will take several iterations before all of the reports and reporting procedures are optimal. As indicated in the off-agenda reports, the OSH estimates that this process would take through October 2016. The Homelessness Prevention report in particular is challenging because these programs are a relatively new part of the system of care and service delivery is diffuse.

CONSEQUENCES OF NEGATIVE ACTION

The HLUET committee would not receive the requested reports.

STEPS FOLLOWING APPROVAL

None.

County of Santa Clara
Consumer and Environmental Protection Agency

83143

DATE: October 20, 2016

TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)

FROM: Amy Brown, Dir., Consumer & Environmental Protection Agency

SUBJECT: Annual report regarding the Weed Abatement Program

RECOMMENDED ACTION

Receive annual report from the Consumer and Environmental Protection Agency relating to the Weed Abatement Program for the inspection of parcels that do not meet minimum fire standards during the annual weed abatement process. (Held from September 15, 2016 Housing, Land Use, Environment, and Transportation Committee, Item No. 9)

FISCAL IMPLICATIONS

The Weed Abatement Program is currently structured as a non-General Fund Program. On November 17, 2015, the Board approved an increase in the program fees charged to property owners in the Weed Abatement Program. At the time, the Agency projected a FY 2016 fund deficit of $249,300. The actual fund deficit for FY 2016 was $232,737. The increased fees became effective in FY 2017 and are projected to result in a positive fund balance by the end of FY 2017.

REASONS FOR RECOMMENDATION

On November 17, 2015, the Board requested annual reports to the Housing, Land Use, Environment and Transportation Committee regarding the status of the Weed Abatement Program in the Consumer and Environmental Protection Agency. The Weed Abatement Program is a non-General Fund Program structured to be full cost recovery. Program revenue comes from fees that are charged for the abatement of weeds from parcels that are non-compliant with the minimum fire standards.

The Program's season begins in March. Work ordered and completed prior to June 30th will be expended in FY 2017, but will be placed on the tax roll that will be collected in December and April in FY 2018. Because the season covers two fiscal years, understanding the relationship between the costs and the revenues can be challenging.

Fee Increase

Due to increased staff costs and a reduced number of parcels in the Program, the Agency is planning to seek approval of an increase of the fees. The annual compliance fee will increase

from $55 to $60, the second inspection fee (assessed when the property fails the first inspection and must be re-inspected) will increase from $440 to $485, and the contract work administration fee (assessed when the property fails the second inspection and a contractor is assigned to clear the weeds) will increase from $335 to $434. These fees are in addition to the actual contractor cost.

The current Program fees are charged at the same rate for residents regardless of their jurisdiction. These fees are:

1. An annual compliance inspection fee of $55 charged for parcels that are found to be in a non-complaint state of weed control, and are ordered to comply with fire standards by a specific time period in each of the next three years. These parcels are monitored each year by Program staff, and the fee recovers the cost for data entry, file preparation, noticing, boundary determination, and overhead costs. Parcels are removed from the Program once they have satisfied three consecutive years of compliance with fire standards.
2. A $440 fee charged for parcels that fail the annual compliance inspection. This fee recovers costs for additional inspections, noticing, and overhead costs.
3. A $335 per parcel fee is charged when abatement is performed by the County's contractor. This fee is in addition to the contractor's cost to abate weeds on the property. This fee recovers costs of monitoring the contractor and overhead related to billing and contract maintenance.

Calculation of these fees is based on the current costs of the Program, the percentage of time staff spend during each phase of the process, and the current non-compliance rate of 17% (which has improved from 25%, when the fees were previously established). The staff time percentages are approximately 40% time conducting initial inspections, 50% time conducting second inspections, and 10% time for ordering and monitoring contractor work. This was the same rationale as was used for the fee increase approved in November 2015.

The proposed fees have been submitted to the Controller-Treasurer for review for compliance with cost accounting guidelines. After approval has been received from the Controller-Treasurer, the Agency will bring a legislative file to the Board of Supervisors to approve the fee increase.

The proposed fees would apply to all residents in the Program. Under the County's contract with the participating cities, the cities would receive a 60-days' notice of the fee changes and, unless they opt out of the Program within that 60 days, the fees would then apply to each city resident in the Program.

Information about the new fee schedule would be included in the annual notification package that is mailed to all parcel owners in the Program. The notification package would also contain the Department's contact information should parcel owners have questions about the new fee schedule. This information would also be included in the County's Weed Abatement website.

It should be noted that if the abatement non-compliance rate continues to decline, neither the current fees nor the proposed fees would be adequate to sustain funding for the Program into

the future. Since it is the Program's goal to educate all residents about the minimum fire safety requirements, and to ensure all property owners are compliant, the lowering of the non-compliance rate illustrates that the message is being received and the Program is working. However, fewer properties in the Program also would mean that additional fees will need to be considered in the future. As the Board requested at the November 17, 2015 meeting, staff will re-examine fees annually in order to increase incrementally to keep up with costs.

Amended contracts with participating cities.

Currently, the County currently performs this service for the various jurisdictions, with no cost to the participating jurisdictions. While the process for conducting a Weed Abatement Program is specified in State law, there is not a mandate to perform the Program. The decision to have a Weed Abatement Program is determined by each jurisdiction.

In November 2015, the Agency informed the Board of the intention to amend the contracts with the local jurisdictions. The amendments will include a clause stating that if the Program does not recover their costs for the year by collecting the fees, the local jurisdictions will be responsible for a prorated cost based on the number of parcels in the Program. While this action provides for funding if the Program runs a deficit, the intention of the Agency is to develop and implement fees that will fully support the Program so the local jurisdictions will not be billed.

CEPA previously had a Delegation of Authority to execute and amend contracts with the jurisdictions, which expired in June 2015. CEPA will bring a legislative file to the Board asking for another Delegation of Authority so the contracts can be amended. The Agency is currently in the process of working with the local jurisdictions to draft the amendments.

Currently, the following 12 jurisdictions contract with the County to participate in the Program:

Jurisdiction	
City of Campbell	City of Morgan Hill
City of Cupertino	City of Gilroy
Los Altos Hills County Fire District	City of Palo Alto
Town of Los Gatos	City of San Jose
City of Milpitas	City of Santa Clara
City of Monte Sereno	City of Saratoga

Erroneous Referrals

At the November 2015 Board meeting, the Board asked how many reports the Program received from the jurisdictions which are erroneous or unfounded. To date in 2016, the Program received 160 total service requests, or reports. These reports came from two sources, other government jurisdictions and private citizens. Of the 160 reports, 137 were from private citizens, and 23 were from other government jurisdictions.

Of the 137 private citizen reports:

- 41 resulted in adding parcels to the Program;
- 29 were already in the Program, and provided updated information;
- 67 resulted in no enforcement, and no assessment of fees.

The reports that did not result in enforcement could be due to the property owner mitigating the reported issue prior to our inspection. These reports can also result in finding other or adjacent properties needing to be added to the Program.

Of the 23 government jurisdiction reports:

- 17 resulted in adding parcels to the Program;
- 2 were out of our jurisdiction;
- 2 were part of a joint investigation;
- 2 resulted in no enforcement, and no assessment of fees.

CHILD IMPACT

The recommended action impacts the **Safe and Stable Families** indicator by maintaining minimum fire safe standards and effort to keep children and youth safe from fire dangers.

SENIOR IMPACT

The recommended action will have a positive impact on seniors by maintaining minimum fire safe standards and effort to keep seniors safe from fire dangers.

SUSTAINABILITY IMPLICATIONS

The recommended action will have a positive impact on sustainability by maintaining minimum fire safe standards and preventing fire damage where possible.

BACKGROUND

The Weed Abatement Program has historically been a full cost recovery program. Revenue is generated from fees charged for the inspection and abatement of weeds from parcels that fail to comply with the minimum fire safe standards.

Each year, the Board of Supervisors declares weeds, brush or rubbish a public nuisance on certain described properties in the unincorporated areas as part of a fire prevention program, and authorizes the nuisance to be abated by the Weed Abatement Program. After three years of demonstrated compliance, parcels are removed from the Program.

Program staff inspect parcels throughout the fire season to ensure compliance with minimum fire safety standards.

In October 2008, the Program anticipated a FY 2009 fund balance deficit of approximately $20,000, and a deficit of $100,000 in FY 2010 if the fee for the annual compliance inspection (or second inspection) of $298 was not implemented. The Board approved implementation of this fee, which was in addition to the administrative fee (of 150% plus the contractor fee) for property owners that had their property abated by the County contractor.

In 2010, the City of Morgan Hill requested an evaluation of the County fee in an effort to consider proposing a more equitable fee schedule for work involved. The main concern was the 150% administrative fee added to the contractor's abatement costs, as this mechanism resulted in very high charges levied against just a few parcel owners (for the larger parcels). Working with the City of Morgan Hill, the Department developed the fees which were approved by the Board of Supervisor on November 2, 2010. These fees were more equitable and appropriate.

On November 17, 2015, the Board approved increasing the Weed Abatement Program fees, changing the Initial Inspection fee from a one-time $41 charge to an annual charge of $55; the Failed Second Inspection fee from $250 to $440; and the Contract Work fee from $169 to $335.

When the work is completed, the County's Hearing Officer confirms the report stating that unpaid charges constitute special assessments in order for the costs to be placed on the Tax Roll and become a lien on the respective properties. The same process is followed in each of the twelve contract cities participating in the County Program for the properties in their jurisdiction.

The Department mails notices to each property owner that fails to comply with the weed abatement standards. The property owners are advised that weeds must be removed, and that public hearings will be set for objections to the proposed abatement.

CONSEQUENCES OF NEGATIVE ACTION

The Board of Supervisors would not receive the information in the report.

County of Santa Clara
Department of Planning and Development

83621

DATE: October 20, 2016

TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)

FROM: Rob Eastwood, Interim Planning Manager

SUBJECT: Status Report regarding preparation of the Climate and Agriculture Preservation Program (CAPP)

RECOMMENDED ACTION

Receive report from the Department of Planning and Development relating to preparation of the Climate and Agriculture Preservation Program (CAPP).

FISCAL IMPLICATIONS

There are no potential impacts to the County General Fund as a result of accepting this Report.

CONTRACT HISTORY

Not applicable.

REASONS FOR RECOMMENDATION

This status report is intended to provide a briefing to the HLUET Committee regarding the preparation of the Climate and Agriculture Preservation Program (CAPP) for Southern Santa Clara County. The Administration intends to provide quarterly status reports to HLUET regarding the preparation of the CAPP. The CAPP, funded in part from a grant from the Department of Conservation's Sustainable Agricultural Lands Conservation Program (SALCP), had been previously presented to HLUET in Jaunary 2016 and to the Board of Supervisors within a Land Use Workshop on February 23, 2016. The CAPP is being prepared in partnership with the Santa Clara County Open Space Authority ("OSA") and was previously referenced as the Sustainable Agricultural Lands Policy Framework for Southern Santa Clara County ("Framework").

In the previous quarter (July-September, 2016), the Department accomplished the following actions as part of the CAPP preparation process:

- **Advisory & Technical Panels -** Individuals were invited to participate in the CAPP preparation process as a member of the Advisory Group and Technical Panels (Attachment 1). These two groups are intended to adivse the CAPP preparation

process. The Advisory Group consists of experts throughtout California knowledgable in farming, agricultural economics and preservation programs. This group will provide initial advice and feedback regarding best practices to incorporate into the CAPP program. The Technical Panels consist of local representatives from municipal agencies and the farming sector. These panelists are intended to provide advice to the CAPP program throughout the preparation process, reviewing and providing feedback on work products and reports.

- **Introductory Webinar for Advisors** – On August 19th, 2016, Department staff provided an introductory webinar for the Advisory Group members to provide an overview of the CAPP program and the role of the Advisory Group Over 30 individuals participated in the webinar.
- **Social Event** – On August 30th, Department Staff hosted a catered Social Event for the Advisory Groups and Technical Panel members. This event was intended to provide an introduction to the CAPP program within an informal setting, allowing participants to understand the scope of the program and the meet staff and other individuals on the advisory groups. The event included introductory remarks from Supervisor Wasserman, Santa Clara County Open Space Authority Director Alex Kennett, and a facilitated panel discussion among several experts from the Advisory Group regarding farming and agricultural preservation programs.
- **Mapping –** Under the CAPP workplan, the first program phase focuses on the mapping of agricultural lands, including (a) agricultural viability (b) potential for agricultural land conversion, and (c) increased greenhouse gas emissions that would result from agricultural land conversion. These maps are intended to provide the foundation of a Conservation Strategy under the CAPP program, prioritizing which lands to sustain in agriculture. Specifically, the SALC program prioritizes grant funding for agricultural preservation actions that demonstrate reduced greenhouse gas emissions through agricultural preservation. The mapping is currently being prepared by Department and OSA GIS staff and are expected to be completed in November / December 2016.
- **Public Outreach –**Department and OSA staff recently provided presentations to the following agencies and groups on the CAPP -
    - Morgan Hill City Council –presentation at September 21, 2016 Morgan Hill City Council Meeting
    - Farm Bureau – attendance and briefing at the September 6, and October 4, 2016 Farm Bureau meetings
    - San Jose – presentation to City of San Jose's Community and Economic Development Committee staff meeting on September 20, 2016.

- **Bi-Weekly Meetings** – Planning and Development staff conducts bi-weekly meetings with Open Space Authority Staff and the County Agricultural Commissioner to discuss the CAPP program.
- **Next Steps –** In the next quarter (October – December, 2106) the Department plans to accomplish the following actions within the CAPP workplan–
    - Advisory Panel Consultation – Deparment and OSA staff with the Agricultural Commissioner will conduct formal consultations with Advisory Groups wihtin three small group settings.
    - Technical Panel Introductory meeting — In early November, the Department will host an introductory meeting for technical panel members – providing an in depth introduction to the CAPP program, the role of the technical panels, and expected schedule and time commitments.
    - Completion of Initial Mapping products – Initial map products are anticipated to be completed by December, including maps regarding agricultural viability and agricultural land conversion threats.
    - Gap Analysis – Department staff will start work on an agricultural preservation policy gap analysis, using mapping to identify agricultural lands that have been converted in the past and new policy tools to maintain lands in agriculture.

CHILD IMPACT

The recommended action will have no impact on children and youth.

SENIOR IMPACT

The recommended action will have no impact on seniors.

SUSTAINABILITY IMPLICATIONS

Preparation of a CAPP will have positive sustainability implications by developing a program for preserving agriculture and sustaining the farming industry in Southern Santa Clara County. Preservation of these agricultural lands and farming will ensure regional food security, contain urban sprawl, maintain groundwater recharge, and reduce greenhouse gas emissions..

BACKGROUND

SALC Grant Program

The Sustainable Agricultural Land Conservation ("SALC") Program was created by the State Strategic Growth Council as a program to fund strategic plans for agricultural preservation and land conservation easements of agricultural lands. The Program is funded by Greenhouse Gas Reduction funds from Cap and Trade revenue. The purpose of the program is to preserve agricultural land from conversion to uses that generate increased greenhouse gas emissions such as urbanization. Funding for the SALC Program first began in 2015, with proposals for the first competitive grants due in March, 2015. The Program funds two types

of grants – (1) Strategic Agricultural Grants that create strategic plans to preserve agricultural lands and (2) Agricultural Conservation Grant Easements to directly protect agricultural lands by funding the purchase of conservation easements. The County applied for and received funding under the Strategic Agricultural Grants to prepare a Sustainable Agricultural Lands Conservation Framework for Southern Santa Clara County in 2015. The County is only one of five jurisdictions that received this competitive grant.

In the second round of funding in 2016, the State distributed approximately $37 Million dollars in grant funding to local jurisdictions for Agricultural Conservation Easements. Details are forthcoming regarding the 2017 SALC Grant funding cycle.

County SALC Grant Application / Framework

In March, 2015, County Planning Staff, working in conjunction with staff from the Santa Clara Valley Open Space Authority, prepared a grant application for the competitive SALC Grant. On March 24, 2015, the Board of Supervisors adopted a resolution authorizing staff to apply for the SALS Grant. In July, 2015, California Department of Conservation staff notified the County that it received one of the five awarded competitive SALS Grants, in the amount of $100,000. Under the SALS Grant Funding requirements, activities associated with the Grant must be completed within a two year period, or by the end of 2017.

CAPP Workplan

As outlined in the Work Plan (Attachment 2) accepted by the State, preparation of the CAPP will occur within three phases over a two year period– (a) Task 1 - Priority Agricultural Lands Mapping, Greenhouse Gas Emissions analysis and Policy Gap Analysis (b) Task 2 - Preparation of a Draft Program, and (c) Task 3- Preparation of a Final Program. These three tasks and the anticipated time frame and final work products associated with each of these phases are described in further detail below.

Task 1 – Priority Agricultural Lands Mapping

This first phase includes conducting mapping within the existing unincorporated rural areas in order to assess the current viability and vulnerability of agricultural lands and the farming industry in Southern Santa Clara County. Mapping includes an analysis of the current agricultural lands that are most vulnerable to land conversion and an evaluation of the increase in greenhouse gas emissions that would occur if these lands are converted to urban or residential uses. This Task includes an evaluation of the economic vitality of the farming industry in Southern Santa Clara and current and potential threats. Finally, this task includes an evaluation of current Agricultural preservation policies employed by the County and other Agencies and conduct a policy gap analysis to identify any new programs and policies that could be used to preserve agricultural lands.

Task 2 – Preparation of a Draft Framework

Task 2 entails the preparation of a Draft Sustainable Agricultural Lands Policy Framework for Santa Clara County. This will be a policy document that discloses the current vulnerability of agricultural lands and the farming industry in Southern Santa Clara County and the ramifications of potential losses, including the loss of food security, an increase in greenhouse gas emissions and economic impacts. The Framework will describe and outline new policies that can by adopted to ensure the ongoing preservation of Agricultural lands and the farming industry and an implementation plan to enact those policies. Preparation of the Draft Framework will entail much outreach with stakeholders, including review and feedback by two Technical Advisory Committees – an (a) Agricultural Sector committee comprised of stakeholders within the Agricultural industry, and an (b) Municipal Sector committee comprised of representatives from local agencies, including the Cities of Gilroy, Morgan Hill, and San Jose.

Task 3 – Preparation of a Final Framework

Following public comment, the Draft Framework will be revised to create a Final Framework, intended to be adopted by the County of Santa Clara, the Open Space Authority, and other local agencies. This Final Framework would provide a detailed implementation plan outlining the policy and program steps for implementing the Framework.

Potential New Agricultural Preservation Tools

There are several new agricultural preservation policies and programs that could be incorporated into the Framework. These programs have been used within other counties and regions in California for agricultural preservation.

Agricultural Mitigation Fees / Transfer of Development Rights – Under this approach, mitigation fees would be levied against any proposed land development that converts agricultural lands to other uses. A Transfer of Development Rights program allows Cities to collect fees to be used for agricultural preservation in exchange for allowing an increase in development density. Under both programs, a designated conservation agency would receive the monies collected from the mitigation and TDR fees, to be subsequently used to purchase conservation easements on agricultural lands.

Agricultural Conservation Easement Program – In tandem with an Agricultural Mitigation Fee program, a designated conservation agency could establish a program to purchase agricultural easements over existing farmlands, using funds from a variety of sources, including state or local funding.

County Agricultural Zoning- The County could evaluate potential modifications to its development regulations pertaining to residential and non-residential development on existing parcels within the Agricultural Zoning districts in the rural areas. This may entail the establishment of development standards intended to minimize the loss of agricultural productivity when agricultural lands are developed for residential purposes.

CONSEQUENCES OF NEGATIVE ACTION

The HLUET Committee will not accept the Report. The Administration will revise the report as directed by HLUET.

STEPS FOLLOWING APPROVAL

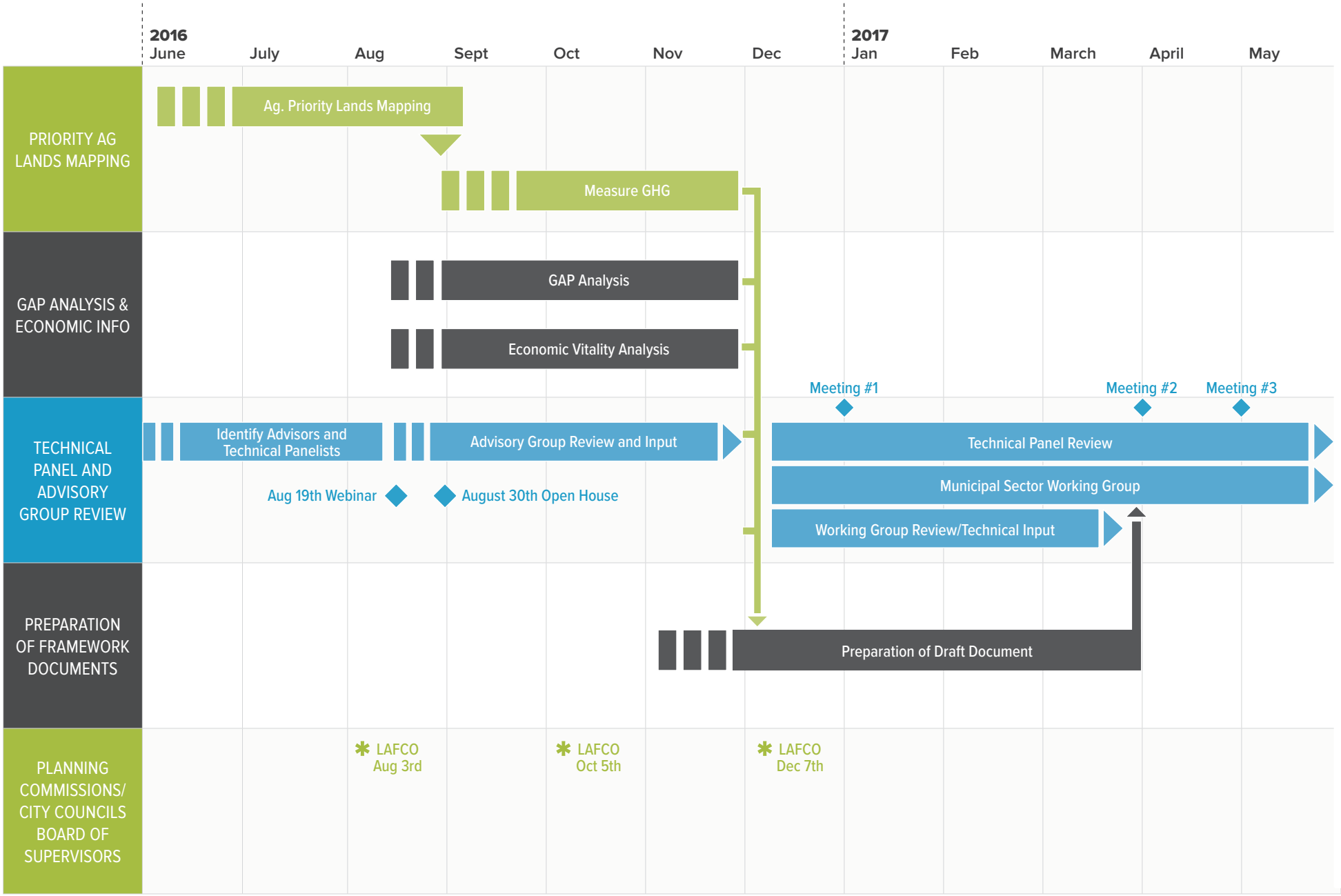
The Administration will provide a subsequent status report to HLUET in January 2017.

ATTACHMENTS:

- SALCP Roadmap Schedule (PDF)
- Copy of CAPP Technical Panels and Advisors (PDF)

DRAFT ROADMAP - SANTA CLARA CLIMATE & AGRICULTURE PROTECTION PROGRAM (CAPP)

Approximate Timeline as of August 10, 2016



Note: Dates and durations are approximate and may be changed due to public and agency input

Attachment: SALCP Roadmap Schedule (83621 : Status Report regarding preparation of the Climate and

Agricultural Easement Implementation; Moderator: Andrea Mackenzie	
Name	**Title and Agency**
Chris Kelly	CA Director, The Conservation Fund
Darla Guenzler	Executive Director, CA Council of Land Trust (CCLT)
Jeff Stump	Conservation Director, Marin Agricultural Land Trust (MALT)
John Lowrie	Asst. Director, Department of Conservation's Division of Land Resource Protection
Nancy Schaefer	Bay Area Program Director, California Rangeland Trust
Tom Scharffenberger	Private Consultant
Craige Edgerton	Executive Director, Silicon Valley Land Trust
Kathryn Lyddan	Executive Director, Brentwood Agricultural Land Trust

Farming Economics and Vitality; Moderator: Joe Deviney	
Name	**Title and Agency**
Dave Runsten	Policy Director, Community Alliance with Family Farmers (CAFF)
Ed Thompson	Executive Director, American Farmland Trust (AFT)
Serena Unger	Policy Associate, American Farmland Trust (AFT)

Attachment: Copy of CAPP Technical Panels and Advisors (83621 : Status Report regarding preparation

Jim Leap	Farmer / Innovator (Santa Cruz County)
Reggie Knox	Executive Director, FarmLink
Justin Fields	Cattle Rancher, President, Cattlemen's Association
Sibella Kraus	President, Sustainable Agriculture Education (SAGE)
Kevin O'Day	RetiredSanta Clara County Ag. Commissioner, Cattleman, Hay Farmer
Stephanie Moreno	Executive Director, Guadalupe Coyote Resource Conservation District
Marianna Leuschel	Founder, L Studio
Duncan MacEwan	Principal Economist, ERA Economics
Stephen Hohenrieder	Creator of Hana Ranch, a vertically integrated farming and ranching enterprise, and the farming company Green Spring Farms whichfarms/manages approximately 14,000 acres of production in California and

Land Use Planning and Policy; Moderator: Rob Eastwood	
Name	**Title and Agency**
Bill Keene	General Manager, Sonoma County Agricultural Preservation and Open Space District
David Shabazian	*Rural-Urban Connections Strategy Manager,* Sacramento Council of Governments.
Don Weden	former Santa Clara County Planning Principal Planner
Eli Zigas	SPUR Food and Agriculture Policy Director
Brian Schmidt	Program Manager, Greenbelt Alliance
Pete Parkinson	Former Planning Director, Sonoma County
Jeanne Merrill	Policy Director, CA Climate and Agriculture Network (CalCAN)
David Morrison	Planning Director Napa County (Formerly Yolo County Planning Director)
Neelima Palacherla	Executive Officer, Local Agency Formation Commission (LAFCO) Santa Clara County

Attachment: Copy of CAPP Technical Panels and Advisors (83621 : Status Report regarding preparation